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DEPARTMENT OF DEFENSE

Office of the Secretary

TRICARE, Formerly Known as the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Fiscal Year 2014 Mental Health Rate Updates

AGENCY: Department of Defense.

ACTION: Notice of Updated Mental Health Rates for FY 2014.

SUMMARY: This notice provides the updated regional per-diem rates for low-volume mental health providers; the update factor for hospital-specific per-diems; the updated cap per-diem for high-volume providers; the beneficiary per-diem cost-share amount for low-volume providers; and, the updated per-diem rates for both full-day and half-day TRICARE Partial Hospitalization Programs for FY 2014.

DATES: Effective Date: The FY 2014 rates contained in this notice are effective for services on or after October 1, 2013.

ADDRESSES: TRICARE Management Activity (TMA), Medical Benefits and Reimbursement Branch, 16401 East Centretex Parkway, Aurora, CO 80011-9066.

FOR FURTHER INFORMATION CONTACT: Elan Green, Medical Benefits and Reimbursement Branch, TMA, telephone (303) 676-3907.

SUPPLEMENTARY INFORMATION: The final rule published in the Federal Register (FR) on September 6, 1988 (53 FR 34285) set forth reimbursement changes that were effective for all inpatient hospital admissions in psychiatric hospitals and exempt psychiatric units occurring on or after January 1, 1989. The final rule published in the Federal Register on July 1, 1993 (58 FR 35400) set forth maximum per-diem rates for all partial hospitalization admissions on or after

September 29, 1993. Included in these final rules were provisions for updating reimbursement rates for each federal FY. As stated in the final rules, each per-diem shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare Prospective Payment System (i.e., this is the same update factor used for the inpatient prospective payment system). For FY 2014, the market basket rate is 2.5 percent. This year, Medicare applied two reductions to its market basket amount: (1) a 0.5 percent reduction for economy-wide productivity required by section 3401(a) of the Patient Protection and Affordable Care Act (PPACA) which amended section 1886(b)(3)(B) of the Social Security Act, and (2) a 0.3 percent point adjustment as required by section 1886(b)(3)(B)(xii) of the Act as added and amended by sections 3401 and 10319(a) of the PPACA. These two reductions do not apply to TRICARE. Hospitals and units with hospital-specific rates (hospitals and units with high TRICARE volume) and regional-specific rates for psychiatric hospitals and units with low TRICARE volume will have their TRICARE rates for FY 2014 updated by 2.5 percent.

Partial hospitalization rates for full-day programs also will be updated by 2.5 percent for FY 2014. Partial hospitalization rates for programs of less than 6 hours (with a minimum of three hours) will be paid a per diem rate of 75 percent of the rate for a full-day program.

The cap amount for high-volume hospitals and units also will be updated by the 2.5 percent for FY 2014.

The beneficiary cost share for low-volume hospitals and units also will be updated by the 2.5 percent for FY 2014.

Per 32 CFR 199.14, the same area wage indexes used for the CHAMPUS Diagnosis-Related Group (DRG)-based payment system shall be applied to the wage portion of the applicable regional per-diem for each day of the admission. The wage portion shall be the same

as that used for the CHAMPUS DRG-based payment system. For wage index values greater than 1.0, the wage portion of the regional rate subject to the area wage adjustment is 69.6 percent for FY 2014. For wage index values less than or equal to 1.0, the wage portion of the regional rate subject to the area wage adjustment is 62.0 percent.

Additionally, 32 CFR 199.14 requires that hospital specific and regional per-diems shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare prospective payment system.

The following reflect an update of 2.5 percent for FY 2014.

**REGIONAL-SPECIFIC RATES FOR PSYCHIATRIC HOSPITALS AND UNITS
WITH LOW TRICARE VOLUME FOR FY 2014**

United States Census Region	Regional Rate
Northeast:	
New England.....	\$ 827
Mid-Atlantic.....	\$ 797
Midwest:	
East North Central.....	\$ 689
West North Central.....	\$ 650
South:	
South Atlantic.....	\$ 820
East South Central.....	\$ 877
West South Central.....	\$ 747
West:	
Mountain.....	\$ 746
Pacific.....	\$ 882
Puerto Rico.....	\$ 563

Beneficiary cost-share: Beneficiary cost-share (other than dependents of Active Duty members) for care paid on the basis of a regional per-diem rate is the lower of \$218 per day or 25 percent of the hospital billed charges effective for services rendered on or after October 1, 2013.

Cap Amount: Updated cap amount for hospitals and units with high TRICARE volume is \$1,040 per day for services on or after October 1, 2013.

The following reflects an update of 2.5 percent for FY 2014 for the full day partial hospitalization rates. Partial hospitalization rates for programs of less than 6 hours (with a minimum of three hours) will be paid a per diem rate of 75 percent of the rate for a full-day program.

PARTIAL HOSPITALIZATION RATES FOR
FULL-DAY AND HALF-DAY PROGRAMS
[FY 2014]

United States Census Region	Full-day rate (6 hours or more)	Half-day rate (3–5 hours)
Northeast:		
New England (Maine, N.H., Vt., Mass., R.I., Conn.).....	\$331	\$248
Mid-Atlantic:		
(N.Y., N.J., Penn.).....	\$361	\$271
Midwest:		
East North Central (Ohio, Ind., Ill., Mich., Wis.).....	\$318	\$239
West North Central:		
(Minn., Iowa, Mo., N.D., S.D., Neb., Kan.).....	\$318	\$239
South:		
South Atlantic (Del., Md., D.C., Va., W.Va., N.C., S.C., Ga., Fla.)...	\$339	\$254
East South Central:		
(Ky., Tenn., Ala., Miss.).....	\$368	\$276
West South Central:		
(Ark., La., Texas, Okla.).....	\$368	\$276
West:		
Mountain (Mon., Idaho, Wyo., Col., N.M., Ariz., Utah, Nev.).....	\$371	\$278
Pacific (Wash., Ore., Calif., Alaska, Hawaii).....	\$365	\$274
Puerto Rico.....	\$237	\$178

The above rates are effective for services rendered on or after October 1, 2013.

Dated: December 5, 2013.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.

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